

## WATER AND SEWER FUND PROJECTION

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
<b>Revenues</b>						
Water & Sewer Sales	\$ 83,019,295	88,104,862	\$ 93,920,254	\$ 99,578,686	\$ 103,927,622	\$ 103,715,483
Other Operating Revenues	564,334	575,621	587,133	598,876	610,854	623,071
Investment/Rental	805,689	821,803	838,239	855,004	872,104	889,546
Licenses and Permits	47,535	48,486	49,456	50,445	51,454	52,483
Frontage Fees/Assessments	127,620	130,172	132,775	135,431	138,140	140,903
Other Revenues	80,000	81,600	83,232	84,897	86,595	88,327
Appropriation from Fund Balance	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 84,644,473</b>	<b>\$ 89,762,544</b>	<b>\$ 95,611,089</b>	<b>\$ 101,303,339</b>	<b>\$ 105,686,769</b>	<b>\$ 105,509,813</b>
<b>Appropriations</b>						
Personal Services	\$ 21,245,067	\$ 21,669,968	\$ 22,753,466	\$ 23,891,139	\$ 25,085,696	\$ 26,339,981
Operating	30,712,862	31,327,119	31,953,661	32,592,734	33,244,589	33,909,481
Capital Outlay	448,874	457,851	467,008	476,348	485,875	495,593
Transfer to CIP	12,400,000	12,000,000	12,000,000	12,500,000	16,200,000	19,650,000
Transfer to Other Funds	1,533,598	1,564,270	1,595,555	1,627,466	1,660,015	1,693,215
Debt Service	18,095,804	22,662,833	26,756,828	29,579,242	28,363,398	22,768,652
Appropriation to Fund Balance	208,268	80,503	84,571	636,410	647,196	652,891
<b>Total Appropriations</b>	<b>\$ 84,644,473</b>	<b>\$ 89,762,544</b>	<b>\$ 95,611,089</b>	<b>\$ 101,303,339</b>	<b>\$ 105,686,769</b>	<b>\$ 105,509,813</b>

### Debt Coverage Ratio:

Parity Debt	4.87	3.27	2.69	2.71	2.52	2.58
All Debt	1.95	1.75	1.64	1.60	1.75	2.21

### CIP Related:

Revenue or G.O. Bond Issue	\$ 33,335,000	\$ 54,201,000	\$ 18,786,000	\$ 41,165,000	\$ 16,505,000	\$ 360,191,950
CIP Appropriations	\$ 45,735,000	\$ 66,201,000	\$ 30,786,000	\$ 53,665,000	\$ 32,705,000	\$ 379,841,950
Rate Funded	\$ 12,400,000	\$ 12,000,000	\$ 12,000,000	\$ 12,500,000	\$ 16,200,000	\$ 19,650,000

## WATER AND SEWER PROJECTION

### Revenue Assumptions

- The projection reflects a reserve for debt coverage that is intended to ensure that the City meets or exceeds the revenue bond rate covenants contained in the water and sewer revenue bonds. Adverse conditions such as water restrictions due to drought, or unseasonably wet years, place the City in jeopardy of not recognizing sufficient revenues to meet these covenants. The coverage ratio that must be maintained for parity debt is 1.25 and for all debt 1.0. Generally, only operating revenues can be utilized for computation of the coverage ratio.
- A rate increase for water and sewer service charges is proposed for FY 2010-11. This rate increase is projected to equate to about a 1.34% increase for an average residential customer.
- The rate model utilized for the projection includes future rate increases based on growth in operating expenses. The rate model also assumes full funding of the proposed CIP by utilization of revenue and/or General Obligation bond issues.
- Water and Sewer Sales include both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities.
- Most non-rate revenue sources are projected to increase by 2% annually.

### Appropriation Assumptions

- Personal Services costs increase at a rate of 5% annually.
- Operating costs increase at a rate of 2% annually.
- Capital costs increase at a rate of 2% annually.

- The non-departmental costs generally increase at a rate of 2% annually.
- Debt Service projections for existing debt as provided by the City's Finance Department are further projected with proposed future debt service on general obligation bonds to be issued as approved in the 2005 bond referendum, and future revenue bonds and/or General Obligation bonds issued to fund the proposed CIP in fiscal year 2011 and out.
- Transfers to other funds includes funding transferred to the Fleet Acquisition Fund for purposes of fleet vehicle and heavy equipment purchases.